More Waterway Expenditure

Our waterway expenditure is focused on maintaining and improving the waterway network, to increase customer satisfaction.

Ongoing maintenance

We have a 2,000-mile, 200-year-old, waterway network. It needs constant maintenance and we have an ongoing commitment to maintain the amenity and the built and natural environment. Expenditure is broken down as shown on the graph, inside.

Reducing our statutory maintenance arrears

Following years of underfunding, towards the end of the 1990s, we have been left with serious structural engineering problems which have a significant cost attached to them. These are our statutory maintenance arrears.

We will eliminate our statutory maintenance arrears by 2012 and to help with this process we have:

- divided them into high and low risk by looking at what the consequences would be if the assets failed
- prioritised our high consequences of failure assets and revised our expenditure plans accordingly

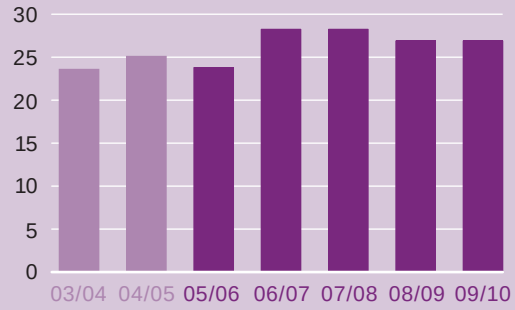
Managing our water efficiently

Water is a precious resource so we plan on a 25-year timescale to manage our water supplies.

Both the Water Act 2003 and European Water Framework Directive 2000 will place us under a tighter regulatory regime. Resulting costs could be in the region of £1 million each year. A key requirement arising from this regulation will be to demonstrate efficient use of water resources. We will therefore:

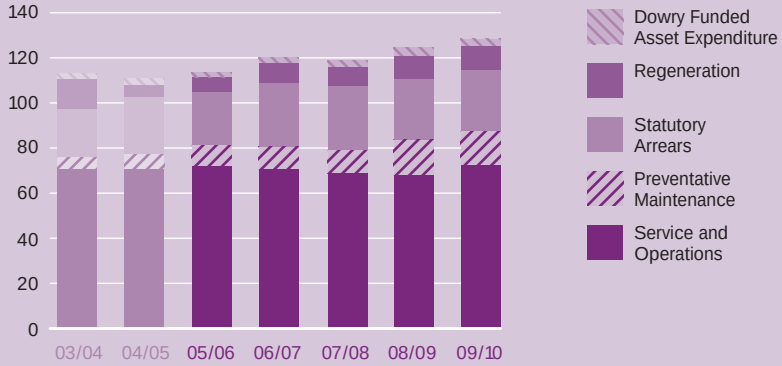
- continually improve our understanding of where and why we lose water, and minimise these losses
- constantly measure how much water enters and exits our waterways
- continually update our hydrological models in light of changing weather patterns and demands
- establish benchmark ecological standards for all our waterways
- improve our SCADA (Supervisory Control and Data Acquisition) technology which constantly monitors and controls our water levels and flows

Annual Statutory Arrears Expenditure £m



Statutory arrears expenditure in 2005/06 is lower than in previously published plans, as money has been re-distributed to tackle key areas of work such as dredging and vegetation management. The Annual Statutory Arrears Programme has therefore been re-phased taking into consideration these key areas of work.

Operating and Maintenance Expenditure £m



Waterway Expenditure Milestones	Year
Complete flood studies project and hydrometric studies on high risk sites	2005
Establish a reliability standard for water resources that can meet our future aspirations	2005
Achieve annual statutory arrears expenditure of £25.1million and outstanding statutory arrears balance of £139.1million.	2006
Extend and modernise hydrometric and SCADA network to deal with new regulatory regime	2007
Remaining statutory arrears reaches £50 million	2007
Complete research on water catchment areas for embankments	2007
Statutory arrears eliminated	2012

More Waterway Income

Waterway income comes from many different sources, but mostly from our operational property, water sales and utilities businesses. Third party contributions, earmarked for particular projects at defined locations, also boost our waterway income.

Water sales

The main priorities for our water sales business, which now includes Watergrid, is to explore new opportunities, efficiently manage our existing business and further grow our income at contractual rate review points.

Utilities

For a fee, we allow utility companies to use our network, for example, we have telecom-munications, electricity and gas cables and apparatus under our towpaths. We also allow water companies to discharge surface water into our canals and we manage this water on their behalf, again for a fee. We have created a mobile phone mast network with our partner New Edge Telecommunications Ltd (NET), and have built six sites this year.

We will:

- develop 24 new sites in 2005/06 with our partner NET
- ensure all electricity, gas and water companies pay for use of our land

Increasing freight traffic

Canals were originally built for the transportation of goods and we remain committed to doubling freight carriage by 2010 (compared with 2000) despite the fact that freight was neglected during the late 20th century, and that nowadays freight can't be our waterways main purpose.

We will focus on four markets, which we feel have the greatest potential, these are:

- Minerals- we have mapped the commercial mineral deposits alongside our network and will continue to meet with aggregate suppliers to persuade them to consider water transportation
- Waste - carrying waste by water has considerable potential, but requires waste collection and handling to be reorganised. We will continue to demonstrate the benefits of waterborne freight to Local Authorities, who are under pressure to recycle more. Wider corporate social responsibility, not just economic benefits, will justify our investment
- Construction & Demolition Material - we will actively pursue schemes for waterside waste recovery and recycling of construction materials
- Containers - we are surveying our widest waterways to establish what needs to be done to make them more suitable for modern vessels and container sites

In order to effectively carry freight inland waterways often need substantial additional investment, and we need the same upfront investment whether we carry one or one hundred freight carriers. This additional investment is high-risk for us, as we could make a significant loss if we do not encourage enough carriage. We wholly support the additional public benefits this investment will bring, however we have to consider these, along with the financial risks involved when deciding whether to facilitate freight.

Operational estate and rechargeable works

We will continue to earn income from agreements for the use of our land for works in, over, under or along the waterway corridor, such as bridges, underground pipes and cables as well as licences for surface water discharges into canals.

More waterway regeneration

Waterways are a significant catalyst for regeneration.

We will:

- negotiate directly with developers or local authorities to ensure that waterways are an integral part of any planned development
- work with Local Authorities and Regional Development Agencies to achieve area based regeneration linked to the waterways

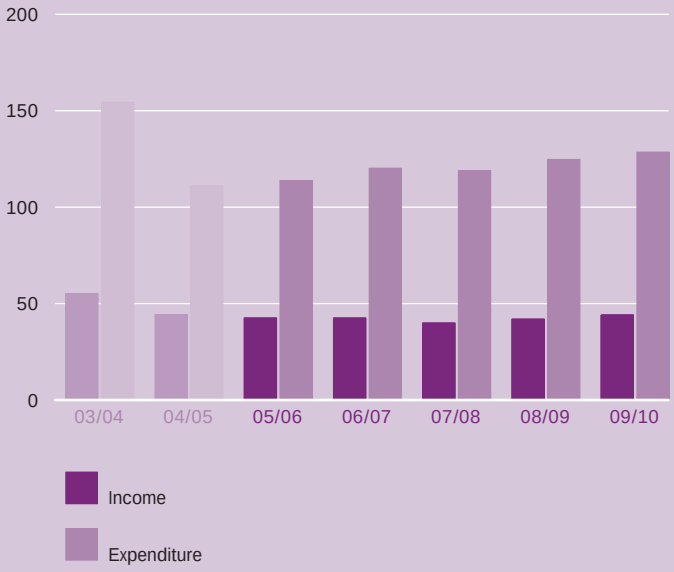
Seeking funded acquisitions (or management) of waterspace

We will proactively pursue the acquisition of new waterspaces when we, and the current owners, believe that British Waterways is best placed to manage them.

We want to use our waterways to earn income for us. We encourage freight on our waterways and recognise the public benefit it can bring. ▲

Waterway Income Milestones	Year
Complete whole network Waste by Water freight study	2005
Secure a contract for movement of construction / demolition materials in London	2005
One new Waste by Water contract (to be one of five new demonstration projects)	2006
Complete trials for container traffic on the Aire & Calder Navigation and, if successful, secure funds for infrastructure improvements	2006
Conclude surface water discharge agreements	2006
Complete water sales negotiations with Thames, Corus and United Utilities	2006
78 mast sites on our land	2008
1 million tonnes aggregate traffic	2007
Two new dowry acquisitions	2007
0.5 million tonnes recyclable / waste traffic	2008
Double freight activity on the network from 2002 levels	2010

Waterway Income and Expenditure £m



If you like to know more about how our plans could affect you, please visit our website at www.britishwaterways.co.uk/plan